THE MINISTER OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) and (b) The Government decided to exclude Indian Oil Corporation (IOC) from bidding for the equity of Bharat Petroleum Corporation Limited (BPCL) and Hindustan Petroleum Corporation Limited (HPCL) to induce competition in oil sector.

(c) No, Sir.

(d) Government invited expressions of interest for 33.58 per cent of the equity of IBP Co. Ltd. IOC is one of the several parties that submitted expressions of interest for acquiring the stake in IBP Co. Ltd. Since acquiring of IBP by any parly would not have resulted in emergence of a monopoly in the oil sector, IOC was not excluded from participating in the disinvestment process of IBP Co. Ltd.

(e) No, Sir.

Creation of Disinvestment Fund

2216. SHRI MAN MOHAN SAMAL: Will the Minister of DISINVESTMENTS pleased to state:

(a) whether it is a fact that Government have failed to meet the disinvestment targets for the Ninth Plan;

(b) if so, the reasons therefor;

(c) whether Government have finalised the creation of proposed Disinvestment Fund; and

(d) if so, the details thereof ?

THE MINISTER OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) and (b) Yes, Sir. Disinvestment process is an ongoing process and each transaction has to go through an elaborate process of participative decisions making, i.e. elaborate consultations with the concerned administrative Ministries and stakeholders. For various reasons like market conditions, financial performance of the companies under consideration, terms and conditions of sale, interest of the bidders, time taken for due diligence by the interested parties etc. the completion of the disinvestment exercise may overshoot the

targeted date. Moreover, decision to disinvest is based on considerations like classification of industry as strategic or non-strategic and not on considerations like profitability. Disinvestment in profitable or non-profitable public enterprise is aimed at optimal utilisation of capital, better corporate governance, reduction in commercial risk of tax-payers' money, release of scarce resources for deployment in social sectors like family welfare, health, education and other sectors of greater public interest. It is always ensured that the best price determined by the market forces is obtained for the stake being disinvested. It is a fact that Government of India does not disinvest in distress to meet any deadlines. Under the circumstances, the companies earmarked for disinvestment in earlier years are carried over to the next year disinvestment plan and annual receipts may fall much short of the annual targets. For all these reasons, the receipts obtained during the period of Ninth Five Year Plan have fallen short of the target.

(c) and (d) The proposal to set up a fund with the proceeds from disinvestment has been raised from time to time. Disinvestment Commission also recommended setting up of a Disinvestment Fund. This issue has also been examined and the current thinking of the Government is not in favour of setting up such an exclusive fund.

Disinvestment of VSNL

2217. MISS MABEL REBELLO: Will the Minister of DISINVESTMENT be pleased to state:

(a) whether Government have recently disinvested VSNL to the Tata Group of Industries at Rs. 202/-per share;

(b) whether this involves the cost of land as well;

(c) if not, the original share-holders should not be compensated for the segregation of land by Government;

(d) if so, whether VSNL shares were sold at very cheap prices; and

(e) whether VSNL would be able to earn as much money as it was earning under the public sector?